

MOTIVATING FACTORS THAT TAXPAYER DOES NOT MAKE TAX RESTITUTION ON THE VALUE ADDED TAX

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Abstract: *Restitution of value-added tax (VAT) is the difference between the value causes a procedure provided by the government to returning excess tax amount remitted by the taxpayer (Taxable Employers) added tax-in (VAT – in) and the value added tax-out (VAT – Out) where the amount is credited VAT-in is greater than VAT-out. This study uses primary data collected from respondents' answers taxpayers through the questions asked by questionnaire. Data were analyzed using factor test, where the purpose of this study was to prove the factors that motivate taxpayers do not do refunds of the VAT. The results of this study indicate that four factors motivate taxpayers do not do refunds of the VAT. They are the 1st factor a period of restitution, the 2nd factor is tax audits, the 3rd factor is the restitution procedure, and 4th factor is service tax officer.*

Keywords: *Restitution of VAT, The VAT Restitution period, VAT Restitution Procedure, Inspection Tax, Service Tax Officer*

Abstrak: *Restitusi pajak pertambahan nilai (VAT) adalah selisih antara nilai yang menyebabkan prosedur yang disediakan oleh pemerintah untuk mengembalikan kelebihan jumlah pajak yang dikirim oleh wajib pajak (Pengusaha Kena Pajak) menambahkan pajak (PPN - in) dan nilai tambah tax-out (PPN - Out) di mana jumlah dikreditkan PPN-in lebih besar dari VAT-out. Penelitian ini menggunakan data primer yang dikumpulkan dari jawaban responden wajib pajak melalui pertanyaan yang diajukan oleh kuesioner. Data dianalisis menggunakan uji faktor, di mana tujuan penelitian ini adalah untuk membuktikan faktor-faktor yang memotivasi wajib pajak tidak melakukan pengembalian uang dari PPN. Hasil penelitian ini menunjukkan bahwa empat faktor motivasi wajib pajak tidak melakukan pengembalian uang dari PPN. Mereka adalah faktor pertama periode restitusi, faktor kedua adalah audit pajak, faktor ke-3 adalah prosedur restitusi, dan faktor ke-4 adalah petugas pajak layanan.*

Kata Kunci: *Restitusi PPN, Masa Pembayaran VAT, Prosedur Penggantian PPN, Pajak Inspeksi, Petugas Pajak Pelayanan*

1. Introduction

The role of taxes as one of revenue for the country increasing from year to year. Taxpayer awareness is the key to the taxation system in Indonesia that have been established since the beginning of the year 1984 is a self-assessment. In the self-assessment system which was valid until now, taxpayers are given great confidence to exercise their rights and the tax obligation is by calculating, paying and reporting their taxes owed.

Therefore, if the taxpayer awareness of their tax obligation is not impossible that the state tax revenue target will be achieved. Directorate General of Taxes plays a role only regarding monitoring the fulfillment of tax obligation according to the provisions outlined in the tax laws. Taxes levied by the government one of them is the Value Added Tax and Sales Tax on Luxury Goods. In this case, the VAT has a role in increasing state revenues and receipts of VAT sector ranks second after Income Tax.

According Iswahyudi (2004:30) As an embodiment of the self-assessment system, the fulfillment of tax obligations has been considered correct taxpayer during the inspection there has been no action by the Directorate General of Taxes. Nevertheless, the rights and obligations as if the taxation does not go hand in hand. In the exercise of self-assessment system is still often heard complaints from some taxpayers about how difficult request a refund of the overpayment that are the rights of taxpayers. In the Law of KUP number 28 in 2007, there is a statement about the rights of taxpayers to refund of tax overpayments. This right is better known as Restitution.

Restitution as if a scourge scary, so many taxpayers try to avoid it and prefer to offset the balance for the next fiscal period. Until now, the tax audit is seen as something terrifying for taxpayers because most taxpayers do not understand what the real nature of the examination itself or because of the experience suffered by the taxpayer is about a tax audit show such facts. Based on data obtained from previous research conducted by Lidiana (2004) in the city of Palembang showed only a few taxpayers who “dare” take restitution procedures. From 1.362 the taxpayer

overpayment, only 207 or 15.20 % of taxpayers applying for restitution. And of the 207 petitions only 180 or 86,96% of successful completion of restitution.

The main factors that most taxpayers are reluctant to make VAT refunds to fear of examination. Tax inspection is to frighten some because they think money back but the tax becomes underpayment plus penalties. Based on background that has been stated above, the main problem to be discussed in this research is what factors motivate taxpayers do not refund VAT.

2. Theoretical Framework and Hypotheses Development

2.1 Value Added Tax (VAT)

Value added tax imposed only on the accretion value and collected several times at various point chain company (multi-stage levy), but that is not cumulative lead to the imposition of double taxation. All costs to obtain and maintain income including interest on capital, rent, land, labor and corporate profits is a value-added element which became the basis of value-added tax (VAT).

According to Mardiasmo (2003;225) "VAT is a kind of central taxes and is objective, VAT is indirect taxes and taxes on domestic consumption (in the customs area) both consumption goods and services consumption". According to Muljono (2008;1) "VAT is tax indirectly imposed on taxable goods delivery transactions and utilization of taxable services". Object VAT according to Law of Value Added Tax No. 42 in 2009, The Chapter 4, delivery of taxable goods and delivery services taxable in this article also explained that taxable products for export (Intangible) included in the object of export of taxable services.

Value added tax rate according to the tax law of value added tax No 18 in 2000 had been converted into No.42 in 2009 in section 7 is 10 % for all kinds of taxable goods and taxable services. Where these rates may change as low as 5 % and high as 15 % following government regulations.

Now how to calculate the amount of VAT is as follow:

$$\text{VAT} = \text{VAT Rate} \times \text{Tax Base}$$

2.2 *Motivation*

Motivation comes from the Latin which reads **movere** means encouragement or insistence. The importance of motivation because motivation is the cause, distributing and supporting human behavior. Motivation has three elements, namely: the need, drives, and purpose. Motivation can also be interpreted as a factor that drives someone to commit an act of a certain way to be able to achieve its objective. Anastasia (1990;112)

Motivation theories can be divided into two types, namely content theory, and process theory.

1. Content Theory

The content theory is emphasizing the inherent factors in individuals who may cause directing, maintaining and stop the behavior. Who supports this theory are the theory Abraham Maslow (Human needs are arranged in a hierarchy) and Theory Herzberg (Factors that cause dissatisfaction and factor that cause satisfaction)

2. Process theory

Process theory describes and analyzes how the behavior raised, directed, maintained and decommissioned. Some psychologists support the theory: Expectancy theory by Victor Vroom, Equity theory by S. Adam, Goal setting theory by Edwin Locke.

2.3 *Restitution*

According to Value added tax law no.16 in 2000 Article 11 has been converted into no. 28 in 2007, restitution is one of the procedures provided by the government over refund the excess amount of tax paid by taxpayers. The restitution of VAT is procedures for tax refunds due to the difference between VAT –in and VAT-out where the amount of VAT –in greater than VAT-out. Based on the decision of Directorate

General of Taxation number PER-122/PJ/2006 dated 15 August 2006 on the confirmation request excess VAT restitution received wholly and directly. Overpayment stated in The overpayment decision letter – SKPKPP red.

To obtain their tax refunds, taxpayers must apply in advance. This step is necessary because, without that request, the overpayment can not refund. Procedures for tax refunds governed in KUP law Article 11 paragraph (1) which contains a request for the taxpayer, the overpayment of tax as defined in article 17, section 17B or section 17C.

2.4 Motivation Taxpayers Do Not Make Restitution

Compliance is behavior for doing or not doing certain activities following the rules and regulations. Obedience taxpayer is a taxpayer in fulfilling obligations taxation following applicable regulations. Individual or group behavior is influenced by motivation. Motivation is the impulse that can lead and direct the behavior.

From the discussion of theory content, very relevant to tax compliance with the interests or needs that must be met. Behavioral compliance in paying taxes can be encouraged by creating rules that can accommodate sanctions and incentives. According to research done by Lidiana (2004) states that the factors that motivate taxpayers do not do refunds VAT because they who have been made restitution VAT feel the difficulties when carrying out procedures, it takes a long time.

3. Research Method

3.1 Research Scope

This research is proposed to prove the factors that motivate taxpayers do not refund the Value Added Tax (VAT) by using Factor Analysis. Factor Analysis is an analysis of the relational interdependence between variables, to identify the dimensions or factors that put together. Therefore, there are no factors in the analysis of independent variables and dependent variables.

3.2 Sample and Data Collection

VAT-Taxpayers of KPP Pratama Jakarta Pancoran as a sample to this research by spreading the questionnaire to corporate taxpayers who do not VAT refunds. A total

number of questionnaires distributed 50 copies to VAT – taxpayers who reported their VAT to KPP Pratama Jakarta Pancoran. On the number of existing distributions, questionnaires filled out by the taxpayer and received amount to 50 copies or 100 %.

3.3 Research Variables and Measurement

a. Definition Variables

To be used concept can be measured empirically and to avoid different interpretations, then the concept should be given a definition.

1. Motivation Taxpayers do not do tax refunds

Taxpayer motivations do not drive a VAT refund is cause behavioral taxpayers not to refund the VAT.

2. Refund Procedure

Restitution procedure is a method or way to run taxpayer to recover tax overpayments rights.

3. Restitution Period

Duration period restitution is the limit given by the tax authorities to taxpayers in completing their tax overpayments (Refunds).

4. Tax Investigation

A tax audit is a form of tax officials in correcting the evidence in the form of books, documents, and records held by professional tax audit based on a standard examination; a tax audit is not to find fault but to test Taxpayers fulfillment of compliance obligations taxation.

5. Service Tax Officer

A service is a form of service activity undertaken by tax man to help the community to obtain information on taxation and help to solve the problem of tax

b. Variable Measurement

Measurement scale used is the Likert Scale. Likert Scale is a scale used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena (Sugiono 2006: 107). Measured using five-point Likert Scale, ranging from strongly disagree (scale 1) to strongly agree (scale 5). Consists of 15

questions to be answered by respondents, using modification questionnaire instrument by the author that has been used by Wahyuni (2008).

Table 1
Instruments motivation taxpayers do not refund VAT

Variable	Dimensions	Indicators	Number of Question	Total
Taxpayer behavior	motivation	1. Restitution Procedures	1-6	6
		2. Restitution Tenor	7-9	3
		3. Tax Audit	10-13	4
		4. Service tax Officer	14-15	2

3.4 Factor Analysis Process

The purpose of factor analysis is the summarization data to identify correlations among variables by analyzing the correlation between variables. The anti-image correlation gives a large selection of partial correlation. Testing the correlation matrix was measured with a scale *Bartlett Test of Sphericity* or *Measure Sampling Adequacy* (MSA)

The steps in the factor analysis:

1. Selecting appropriate variables included in factor analysis. Therefore, factor analysis seeks classifications of some variables then there should be a reasonably strong correlation between the variables that resulted in the grouping, if a variable or weaklier correlated with other variables, the variables are removed from the factor analysis.
2. After some selected variables are carried out “extraction” variable so that it becomes one or several factors. Some popular search method is the principal factor component and maximum likelihood.

3. Factor formed in many cases less illustrate the difference between the existing factors. It will disturb the analysis because it must be a factor that differed significantly with other factors, if the factor is still questionable, it can be done to clarify whether the process of rotation of the factors that formed was substantially different from other factors.
4. After factor has been formed, so the process continued with the naming of factors which are then a few final steps are also necessary to validate the result of factors.

4. Results and Discussion

4.1 Demographics of Respondents

Table 2

Demographics of Respondents by type of Industry

Type of Industry	Total	Percentage
services	8	16%
Trade	18	36%
Manufacturing	24	48%
Total	50	100%

Source: compiled from primary data

Based on Table 2. Above can be seen that the taxpayers of the most wide agency do not do refunds are corporate taxpayer engaged in the manufacturing industry.

Table 3.

Demographics of Respondents by Position/Occupation

Occupation	Total	Percentage
Tax Administration	34	68%
Tax Accounting	16	32%
Director	-	-
Total	50	100%

Source: compiled from primary data

Frequency distribution of respondents based on the identity of the receiver position who fulfill the questionnaire represent the corporate taxpayer can be seen on table 3 as tax administration majority of respondents worked in the field of taxation.

Table 4.
Characteristics of Respondents According to Work Period

Period	Total	Percentage
2-3 Year	5	10%
3-4 Year	15	30%
4-5 Year	20	40%
>5 Year	10	20%
Total	50	100%

Source: compiled from primary data

Based on table 4 above can be seen that respondents, in general, had been working about four to five years. This means that most respondents had experienced in his work.

4.2 Description of Research Result

Testing validity and reliability of the instrument has been tried out to 30 respondents. The instrument consists of 20 questions. Low answers scored 1 and 5 the highest score given.

Table 5.

Case Processing Summary

	N	%
Cases Valid	30	100.0
Exclude ^a	0	.0
Total	30	100.0

^a Listwise deletion based on all variables in the procedure

Table 6

Reliability Statistic

Cronbach's Alpha	N of items
.791	20

Table 7.
Test Validity

Variable	Number of questions	Valid	Drop	Alpha Cronbach's
The Factors that motivate taxpayers do not refund VAT	20	15	5	0,794

4.3 Data Analysis

Analysis of the factor that motivates taxpayers do not refund value-added tax, where as many as 50 respondents have filled in a questionnaire with a response of 15 questions. Through the survey can be calculated through a Likert Scale with a weight category for each answer given.

Assessment of variable factors into the respondent’s answer namely: Restitution means Exactly, more than compensation refunds, VAT refunds doing, knowing restitution procedures, procedures for systematic restitution, refund request, refund period, published SKP, published SKP KPP, document examination, Reexaminations, difficulty of tax audits, tax audit provisions, excellent service. Followed by using KMO and Bartlett’s Test and after that will be processed further.

Table 8
KMO and Barrlett’s Test

Kaiser-Meiyer-Olkin Measure of Sampling Adeuacy		.750
Barrlett’s Test od Sphericity	Approx. Chi Square	578.223
	df	105
	Sig.	.000

Based on Table 8 that KMO and Bartlet's Test visible figures KMO Measure of Sampling Adequacy (MSA) of 0,750. Therefore the MSA figures above 0,5 then these variables can be done through further processes and which should be removed.

To determine the feasibility test of several variables then the test is held anti-image matrices. Variables that will determine whether or not feasible to include in the next.

Table 9.
MSA- Value

VARIABLES	MSA - Value
Restitution Means Exactly	0,802
Taxpayer Chose restitution or compensation	0,852
Doing – VAT refunds	0,840
Knowing The restitution procedures	0,773
Restitution procedures systematically	0,756
Apply for a refund	0,637
Period of restitution	0,782
Published SKP	0,641
Published SKP KPP	0,807
Document examination	0,750
Re-Examination	0,750
Difficulty tax audit	0,567
Provisions of the tax audit	0,803
Excellent service	0,908
Satisfactory service	0,760

Furthermore, the extraction process which will be conducted from 15 variables that have been processed into table Anti Image Matrices. More detail can be seen in table 10 below.

Table 10.
Commonalities

	Initial	Extraction
Restitution Means Exactly	1.000	0,662
Taxpayer Chose restitution or compensation	1.000	0,604
Doing – VAT refunds	1.000	0,519
Knowing The restitution procedures	1.000	0,621
Restitution procedures systematically	1.000	0,810
Apply for a refund	1.000	0,557
Period of restitution	1.000	0,816
Published SKP	1.000	0,848
Published SKP KPP	1.000	0,561
Document examination	1.000	0,887
Re-Examination	1.000	0,950
Difficulty tax audit	1.000	0,790
Provisions of the tax audit	1.000	0,737

Excellent service	1.000	0,549
Satisfactory service	1.000	0,937

Extraction Method: Principal Component Analysis

From the results that have been processed and analyzed all the effects mentioned above that the variance can be explained by factors that will be formed on the table below.

Table 11.

Total Variance Explained from 15 variables

Component	Initial Eigenvalues			Extraction Sums of Squared Loading			Rotation Sums of Squared Loading		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.802	38.681	38.681	5.802	38.681	38.681	3.733	24.890	24.890
2	2.561	17.073	55.753	2.561	17.073	55.753	2.798	18.653	43.542
3	1.423	9.488	65.241	1.423	9.488	65.241	2.339	15.592	59.134
4	1.061	7.071	72.312	1.061	7.071	72.312	1.977	13.179	72.312
5	.930	6.203	78.515						
6	.695	4.634	83.149						
7	.644	4.295	87.445						
8	.496	3.304	90.749						
9	.414	2.763	93.512						
10	.344	2.295	95.807						
11	.237	1.580	97.387						
12	.215	1.434	98.821						
13	.117	.781	99.602						
14	.052	.348	99.951						
15	.007	.049	100.000						

Extraction Method: Principal Component Analysis.

Based on Total Variance Explained can be seen only four factors are formed because of the numbers of *eigenvalues* above 1 (1,061), (1,423), (2,561), (5,802). But for the 11 factors had *eigenvalues* below 1 so factoring process should stop at four factors.

To determine which variables are included into the 1st factor, 2nd factor, 3rd factor and 4th-factor using feasibility test of *Component Matrix* with the rotation method.

Table 12

Rotated Component Matrix

	Component			
	1	2	3	4
Restitution means exactly	.014	-.057	.305	.752
Taxpayer chose restitution or compensation	.266	.258	.026	.683
Doing –VAT Refunds	.158	.508	.433	.221
Knowing The restitution procedures	.121	.455	.165	.610
Restitution procedures systematically	.102	.106	.876	.143
Apply for a refund	.305	.522	.405	-.166
Period of Restitution	.808	.397	-.025	.074
Published SKP	-.013	.898	.121	.165
Published SKP KPP	.156	.389	.566	.255
Document Examination	.881	-.077	.313	.084
Re-Examination	.950	.051	.117	.174
Difficulty tax Audit	.005	.861	.215	.051
Provisions of the tax audit	.155	.301	.750	.245
Excellent service	.492	-.135	.186	.503
Satisfactory service	.947	.081	.091	.158

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

On table 12 we can see each component value – which is divided into four groups from 15 variables. Each variable has the highest component value. Thus the fifteenth variables have been reduced to consist of four factors.

1st factor consists of Period of restitution, Examination of documents, Re-examination, Satisfactory Service.

2nd factor consists of Doing VAT Refund, Apply of refund, Published SKP , Difficulty of tax audit

3rd factor consists of Restitutio procedure systematically, Published SKP KPP, provision of a tax audit.

4th factor consists of Restitution means precisely, Taxpayer chose restitution or compensation, Knowing restitution procedures,Excellent service.

After the factors are formed then be given a name that as far as possible reflect the content of these factors. The four factors which formed the motivating factors that taxpayer does not do VAT refunds are named as follows :

1st factor is named Restitution period

The 2nd factor is titled tax audit

3rd factor is named Restitution procedure

4th factor is named Service tax officer

5. Conclusions, Limitations, and Siuggesstions

From the research that has been processed as a whole shows that motivate taxpayers do not do VAT refunds obtained four different factors that have been formed using a test based on the results of the feasibility and calculating of KMO and Bartlett's Test. When restitution is too long, document examination, Re-examination, and services which lead to unsatisfactory, a taxpayer will not do VAT refunds. Directorate General of Taxes plays a role to simplify the system of restitution so that restitution is not a scary thing for taxpayers.

This study has some weakness that may limit the conclusion. First, a period of deployment questionnaires that only two months so that samples obtained by just 50 companies that did not make restitution. Second, this research only on companies that reported their VAT in KPP Jakarta Pancoran.

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